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**Study on “Understanding the Problem of Compulsive Buying:
Antecedents, Consequences, and Impacts”**

Executive Summary

General information:

- Compulsive buying disorder is characterized by excessive and inappropriate shopping and buying behavior that leads to impairment manifested through personal distress, social, marital, occupational dysfunctions, and financial or legal problems.
- It involves (a) frequent preoccupation with buying or impulses to buy that is experienced as irresistible, intrusive, and/or senseless, (b) frequent buying of more than can be afforded, frequent buying of items that are not needed, or shopping for longer periods of time than intended, and (c) The excessive buying or shopping behavior does not occur exclusively during periods of hypomania or mania.

Research questions:

- This study was exploratory and aimed to find out the prevalence, profiles and impacts of compulsive buying on family relationships and mental health of compulsive buyers.

Research design:

- A convenience sampling method was used to recruit respondents from university campuses, shopping centres and users of social services of Tung Wah Groups of Hospitals. A total of 1489 people completed the questionnaire. One hundred respondents fell into the compulsive buying group, using Faber and O’Guinn’s (1989) criteria.
- One hundred respondents who fell within the normal range were randomly selected to form a comparison group. The ‘CB group’ was consisted of people who were classified as compulsive buyers and the ‘non-CB groups’ were those who did not have a compulsive buying problem.
- The research was done between August 2007 and January 2008. Each respondent completed the questionnaire by himself or herself.

Results:

Prevalence:

- **Overseas prevalence studies** suggest 2-8% (Faber and O’Guinn, 1989); 16% (Magee, 1994), 12% (Hassay et al., 1996) and 5.8% (Koran et al., 2006). The last one was done using telephone interviews of over 2500 people.

- **In our study**, using the Compulsive Buying Scale (CBS) developed by Faber and O'Guinn (1989), a total of 1489 completed the questionnaires. Respondents with a cutoff score of -1.34 or lower were considered as 'compulsive buyers'. One hundred fell into the CB group, which yielded a percentage of approximately 6.7%.

Demographics profiles:

- There were 100 in CB and 100 in non-CB groups
- **In the literature**, the gender difference in compulsive buying disorder remains a controversy. While some literatures suggest that the majority of compulsive buyers were females, one study found relatively equal numbers of males and females.
- **In our study**, the numbers of female to male compulsive buyers were close (60 to 40).
- About 70% of the respondents were in younger age group below 30
- Many were single and educated, with secondary and tertiary education
- 2/3 were employed in the CB group and earned an income between \$10000 or so

Buying patterns:

- **In the literature**, the most frequently purchased items were clothing, shoes and jewellery and these items were products that enhance psychical attractiveness or physical appearances. They spent around US\$110 on each shopping trip. Compulsive buying is a year-round phenomenon, but is more problematic during Christmas and other holidays. It was also reported that there were more compulsive buying disorder episodes during friends' and family members' birthdays.
- **In the literature**, positive and significant correlation was also found between compulsive buying disorder and the number of credit cards owned. It was found that compulsive buyers were more likely to own more credit cards than other consumers and carried larger credit card balances.
- **In our study**, the buying preferences, frequency, time and place were quite similar between CB and non-CB group.
- CB group tended to spend more money on each item they brought (i.e. HK\$500, and mainly use credit card to pay for the purchase. Non-CB group paid their purchase mainly by cash.

Debts:

- **In the literature**, some compulsive buyers tried to borrow money from their families and friends. However, as the compulsive buying behaviors continue, their debts accumulated quickly and some of them ended in extreme financial disasters: houses were repossessed and they had to declare bankruptcy.
- **In our study**, many in the CB group were in debts, and borrowed money from relatives and families to pay their debts as well as using credit cards to do so. They tended to have 4-5 credit cards versus 1 to 2 credit cards for the non-CB group
- People in the CB group tended to have bigger loans and some had repeated loan.

Over 13 % had their debts reorganized and another 11% went bankrupt

Psychological issues:

- **In the literature**, the relationship between mood and compulsive buying is a complex one. Some people reported having positive moods such as pleasure, excitement, contented, relaxed and care-free after compulsive buying. Others engaged most frequently in compulsive buying disorder when they were in negative mood states. Indeed, compulsive buyers considered the buying behaviors as an escape from their negative feelings.
- **In our study**, people in the CB group had significantly more dysfunctional beliefs about spending than the non-CB group. They tended to have much stronger beliefs that buying things could bring them happiness and relieve stress.
- We modified the DSMIV criteria for problem and pathological gambling to examine the issue of dependency in compulsive buying. Essentially, 'dependency' referred to a strong and uncontrollable urge to buy and a preoccupation with the buying impulses, despite the realization that such behaviors would lead to negative personal and social consequences. **In our study**, the CB group had significantly higher scores in dependency, indicating that they had difficulties controlling their buying urge and preoccupations, and that they would do so despite adverse personal, interpersonal and social consequences

Psychological distress and mental illness:

- **In the literature**, compulsive buyers were frequently struggled to attempt to stop their compulsive buying behaviors, pay off their debts and to gain back some control over their own affairs. These constant struggles, together with the sense of losing control, produced personal distress and resulted in a range of negative emotions. The negative emotions commonly reported are shame, self-blame, guilt, anxiety, and depressed moods.
- Persons with the compulsive buying disorder frequently met criteria for mood and anxiety disorders, substance use disorders and eating disorders. Impulse control disorders are also commonly diagnosed in patients with compulsive buying disorder disorders.
- **In our study**, male and female compulsive buyers had very high rate of psychological distress than their non-compulsive counterparts (i.e. as indicated by their GSI scores, 77.5% and 65% vs 20% of men and 12%)
- It is more likely that compulsive buyers had mental illness after engaging in compulsive buying behaviours, and not vice versa. The most common types were depression and anxiety, and the duration of illness was fairly recent, 0-5 years
- 12 had co-morbid addiction problems
- "Dependency" and "dysfunctional beliefs" significantly predicted the outcome in mental health of CB group. In other words, people with strong dysfunctional beliefs about spending and uncontrollable urge had poor mental health. Psychological factors do play a part in the maintenance of compulsive buying

Family issues:

- **In the literature**, compulsive buyers often reported deterioration in family relationships. Due to the disorder, people with CB were unable to provide the attention and care much needed by their family members. Long-term relationships also broke down as a result of the partners' perceived sense of being neglected and the adverse effects of excessive spending on the joint finances. Divorce was not uncommon.
- **In our study**, comparing to the non-CB group, CB group had more negative communication and adverse relationships in the family.
- Both "dependency" and "psychological distress" significantly predicted the poor outcome in family relationship of CB group. In other words, people with a strong and uncontrollable urge and a high level psychological distress had poor family relationship. Issues such as debts and stresses might be the underlying reasons for the poor family relationships.

Recommendations:

- Public education
 - Both men and women are susceptible to compulsive buying, not just women.
 - Credit card usage appears to be closely related to compulsive buying and debts among compulsive buyers. If possible, pay cash and use credit cards more wisely.
 - The consequences of compulsive buying.
 - The proper values of spending and enjoyment (i.e. through family life education).
- Debt counseling and money management skills for compulsive buyers
 - Manage one's debts as soon as possible before it is getting out of hand.
 - Financial planning to repay the debts and minimize the stresses and negative emotions.
- Personal and family counseling
 - Personal psychological counseling (i.e. cognitive-behavioural therapy for impulsive control and modification of dysfunctional beliefs, depression and anxiety).
 - Assess and refer the needy ones for psychiatric consultation.
 - Provide family counseling to improve the family functioning of CB families. This can minimize the stresses felt by the compulsive buyers and the families, and also support the families to support the persons with compulsive buying.
- Research
 - Validate the assessment tools such as the Compulsive Buying Scale and the Dependency Scale. Develop local norms.
 - Further examine and test the various theories related to compulsive buying.